Century**Link**™

224912 ND-2010-7-C

William C. Hanchey State External Relations/ Mid-Atlantic Region

July 15, 2010

NCWKFR0313 14111 Capital Boulevard Wake Forest, NC 27587 Tel: 919.554.7620

Jocelyn D. Boyd Chief Clerk and Administrator Public Service Commission of South Carolina 101 Executive Center Drive, Suite 100 Columbia, SC 29211

RE: Undocketed Notice of Agreement and Plan of Merger

Dear Ms. Boyd:

On April 21, 2010, CenturyLink, Inc. ("CenturyLink") and Qwest Communications International, Inc. ("Qwest") entered into an Agreement and Plan of Merger that will result in Qwest becoming a wholly-owned subsidiary of CenturyLink ("Transaction"). The Transaction is a parent-level transaction that combines two leading communications companies with customer-focused, industry-leading capabilities, together with complementary networks and operating footprints. It results in a financially stronger company that can provide even greater potential for customers to enjoy a better overall customer service experience, the availability of new services, and the increased confidence and satisfaction from a provider that will be better positioned to meet their demands for the long-term.

Since this Transaction occurs at the parent company level only, it does not involve the sale, transfer, lease, consolidation or merger of property, powers, franchises or privileges by a telephone utility in South Carolina and, therefore, does not require approval by the Commission under § 58-9-310 of the South Carolina Code. The Commission will retain the same regulatory authority that the Commission possesses now over Qwest Communications Company, LLC, the Qwest subsidiary certificated as an interexchange company and a competitive local exchange company in South Carolina. The Transaction is transparent to customers as Qwest Communications Company, LLC will continue to provide local exchange and long distance services subject to the same rules, regulations and applicable tariffs as it does now.

The merger is a straightforward tax free, stock-for-stock transaction with no new debt or refinancing required. Shareholders of Qwest will receive 0.1664 shares of CenturyLink for each share of Qwest common stock owned at closing. Upon closing, the shareholders of pre-merger CenturyLink will own approximately 50.5% of post-merger CenturyLink, and the shareholders of pre-merger Qwest will own approximately 49.5% of post-merger CenturyLink. Following completion of the Transaction, four directors from the Qwest Board will be added to the CenturyLink Board of Directors, including Edward A. Mueller, Qwest's Chairman and Chief

<sup>&</sup>lt;sup>1</sup> The Commission has recognized that a merger at the parent company level only does not invoke § 58-9-310, including, most recently, the 2009 merger of CenturyTel, Inc. and Embarq Corporation and prior to that the 2006 merger of AT&T, Inc. and BellSouth Corporation.

<sup>&</sup>lt;sup>2</sup> See, Order No. 95-961 and Order No. 2000-0260.

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Executive Officer (CEO). These additions will increase the number of CenturyLink directors from 13 pre-Transaction to 17 post-Transaction.<sup>3</sup> The attached chart depicts the pre- and post-Transaction corporate structure, showing that Qwest will become a wholly-owned, first tier subsidiary of CenturyLink, and Qwest Communications Company, LLC will continue as a separate certificated carrier with no change in corporate structure.

Please do not hesitate to contact us should you have any questions regarding this notice or if you require additional information. The Transaction is subject to shareholder and regulatory approvals as well as other customary closing conditions. A copy of this letter is also being provided to the Office of Regulatory Staff.

Sincerely,

William C. Hanchey

VP - External Relations - Mid-Atlantic Region

## Attachment

cc: C. Dukes Scott, ORS
Nanette Edwards, Esq., ORS
Alex Duarte, Esq. Qwest
Susan Masterton, Esq., CenturyLink
Zel Gilbert, CenturyLink
Scott Elliott, Esq., Elliott & Elliott, P.A.

<sup>&</sup>lt;sup>3</sup> Because CenturyLink is acquiring Qwest there is no change in the ownership or control of CenturyLink, Inc. or the CenturyLink subsidiaries certificated in South Carolina, including: United Telephone Company of the Carolinas d/b/a CenturyLink (ILEC certificate granted in Order No. 78-406); Embarq Communications Inc. (IXC certificate granted in Order No. 2005-689 and CLEC certificate granted in Order No. 2006-167); Embarq Payphone Services, Inc. (Payphone certificate granted in Order No. 98-374); Madison River Communications, LLC (IXC and CLEC certificate granted in Order No. 2000-745); and Gulf Long Distance, Inc. (IXC certificate granted in Order No. 96-597).

